



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

FACSIMILE COVER SHEET

DATE: Oct. 21, 1999

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 5

TO: Jay Latten

FAX NUMBER: 544-4554

FROM: Joelle

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Loc Joint farm.

REMARKS: The loc I sent yesterday was not the joint one for Loc's. Here is the joint form. Larry - Joelle

Should you encounter any problems with this copy, or do not receive all the pages, please call

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

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TRANSACTION REPORT

P. 01

OCT-21-99 WED 08:00 AM

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DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
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TO:

Jay LattenFAX NUMBER: 544-4554

FROM:

JoelleMinerals Reclamation and Development Program



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
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801-359-3940 (Fax)
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March 23, 1999

O. Jay Gatten
Pearl Queen Perlite Corporation
472 North Main Street
Kaysville, Utah 84037-6453

Re: Cancellation of Reclamation Surety, Pearl Queen Perlite Corp., Pearl Queen Perlite Mine,
M/001/027, Beaver County, Utah

Dear Mr. Gatten:

On March 23, 1999 we received notification from KeyBank that they would renew the Standby Letter of Credit (~~1594 West North Temple, Suite 1210~~) posted as reclamation surety for Pearl Queen Perlite Corporation's, Perlite Queen Perlite Mine, located in Beaver County, Utah.

The Utah Mined Land Reclamation Act prohibits a large mining operation from continuing active operations, if adequate surety is not kept on file with the Division until the mine site is successfully reclaimed allowing bond release. We were informed that the Letter of Credit (LOC) will be canceled on June 30, 1999. You are hereby advised that we must receive a replacement form of surety prior to May 30, 1999, or we will be forced to start forfeiture proceedings to collect the existing LOC.

Please contact me at (801) 538-5286, or Joelle Burns at 538-5291 to discuss this situation further and to inform us of your intentions. Thank you for your consideration and prompt attention to this important permitting requirement.

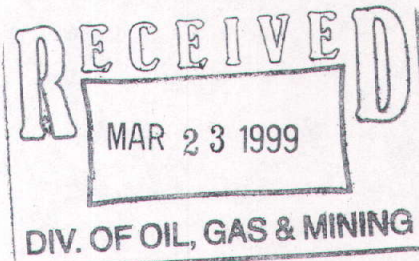
Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Mary Ann Wright, DOGM
Dan Moquin, AAG's Office
Will Stokes, SITLA (ML 3092)
Carla L. C. Alsid, Key Bank
M01-27.sur



m/001/027



KeyBank National Association
International Division MS: WA-31-10-5360
700 Fifth Avenue, 53rd Floor
Seattle, Washington 98104 USA

SWIFT: KEYBUS33SEA
Telex: KEYBANKWA 673444
Fax: (206) 343-6921
Phone: (206) 684-6458

DATE: MARCH 17, 1999

TO: UTAH DIVISION OF OIL, GAS & MINING
1594 WEST NO. TEMPLE, SUITE 1210
SALT LAKE CITY, UT 84114-5801

Re: Our Standby Letter of Credit Number ~~44450200~~
Amount: USD 36,300.00
Account: PEARL QUEEN PERLITE CORPORATION
P.O. BOX 490
MILFORD, UT 84751

Please be advised that we elect not to extend the above referenced Letter of Credit for any additional period.

This Letter of Credit shall expire on 06/30/99 and our liability will be terminated on that date. Please return the original letter of credit and any subsequent amendments to us upon expiration. Thank You.

Sincerely,

Authorized Signer
International Division